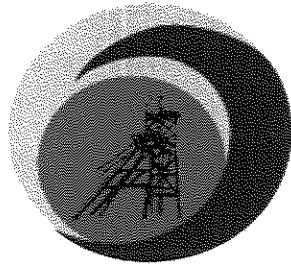
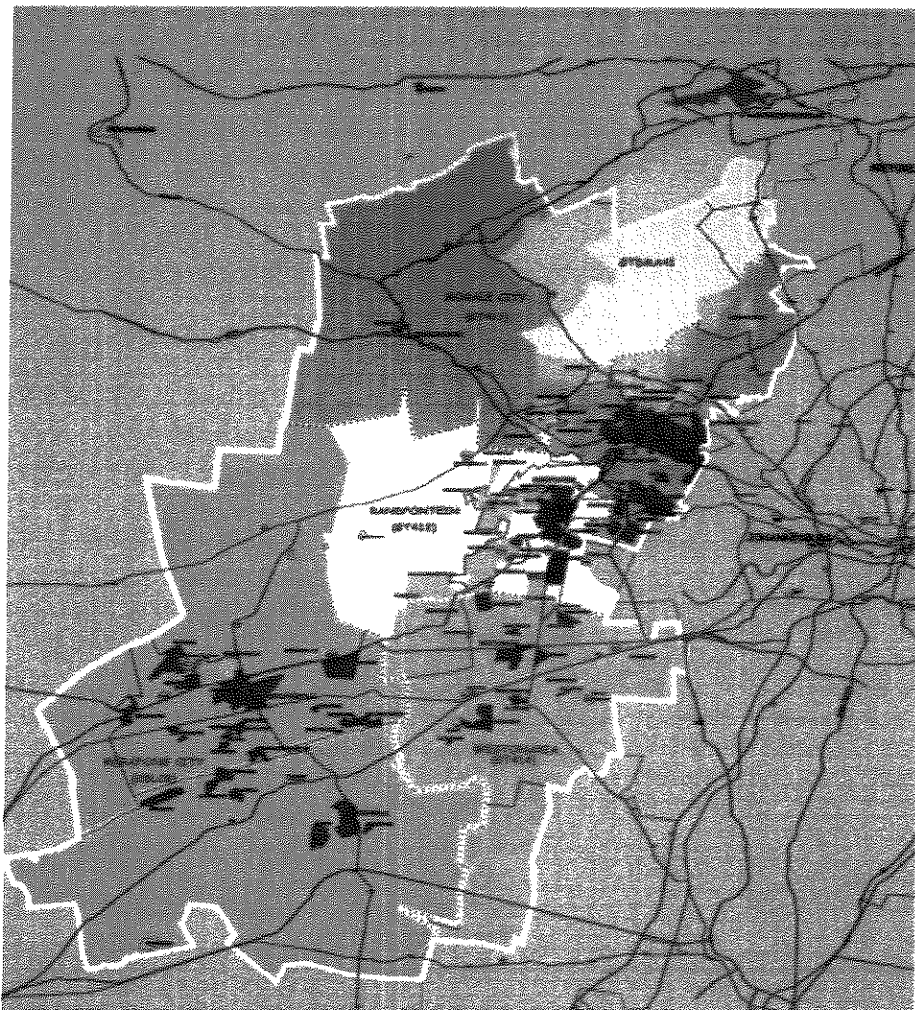


WEST RAND DISTRICT MUNICIPALITY



FINANCIAL STATEMENTS FOR THE YEAR ENDED

30 JUNE 2008



WEST RAND DISTRICT MUNICIPALITY

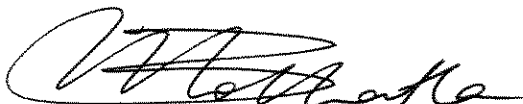
ANNUAL FINANCIAL STATEMENTS

for the year ended

30-Jun-08

I am responsible for the preparation of these annual financial statements, which are set out on pages 1 to 28, in terms of Section 126(1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

I certify that the salaries, allowances and benefits of Councillors as disclosed in note 21 of these annual financial statements are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

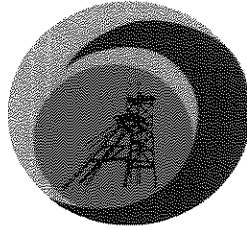


Mr TZ Mokhatla
Municipal Manager

29/08/2008.
Date

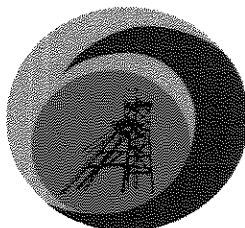
West Rand District Municipality

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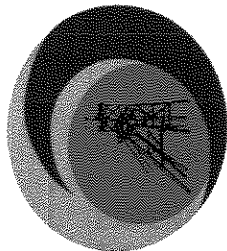
WEST RAND DISTRICT MUNICIPALITY
STATEMENT OF FINANCIAL POSITION AT 30 June 2008

	Note	2008 R	2007 R
NET ASSETS AND LIABILITIES			
Net assets		94,227,721	77,525,877
Transport fund	1	1,355,207	2,090,879
Capital replacement reserve		14,131,695	6,071,449
Government grant reserve		20,398,686	20,048,000
Accumulated surplus		58,342,133	49,315,549
Non-current liabilities		18,403,913	18,357,286
Long-term liabilities	2	18,403,913	18,216,958
Non-current provisions	3	-	140,328
Current liabilities		28,362,447	30,915,530
Provisions	3	11,385,187	12,930,646
Creditors	4	8,572,400	5,624,656
Unspent conditional grants & receipts	5	1,979,008	8,335,228
VAT	6	419,138	2,595,136
Current portion of long-term liabilities	2	6,006,714	1,429,864
Total net Assets and Liabilities		140,994,081	126,798,693
ASSETS			
Non-current assets		47,281,275	43,196,925
Property, plant and equipment	9.1	45,753,759	41,029,532
Investment property	9.2	1,366,390	1,974,591
Long-term receivables	7	161,126	192,802
Current assets		93,712,806	83,601,768
Inventory	8	410,823	327,002
Other debtors	10	9,324,108	9,669,336
Current portion of long-term debtors	7	202,893	245,410
Call investments	11	61,033,863	50,384,411
Bank and Cash	12	22,741,119	22,975,609
Total Assets		140,994,081	126,798,693



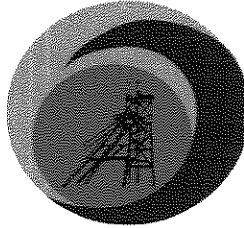
West Rand District Municipality
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 June 2008

		Actual	
	Note	2008 R	2007 R
REVENUE			
Property Rates		0	0
Service Charges		3,405,820	4,062,694
Regional Services Levies - Turnover		-451,316	5,455,333
Regional Services Levies - Remuneration		-128,189	2,042,527
Rental of facilities & equipment		1,286,621	1,298,713
Interest earned - external investments		9,612,363	7,730,673
Interest earned - outstanding debtors		5,550	46,044
Licences & permits		89,464	43,065
Income for agency services	13	24,528,250	22,263,016
Government grants and subsidies	13	115,487,206	105,073,068
Other income	17	3,797,096	2,600,441
Sub total Revenue		157,632,865	150,615,574
Less Revenue foregone		0	0
Total Revenue		157,632,865	150,615,574
EXPENDITURE			
Employee related cost	14	72,784,573	75,026,725
Remuneration of Councillors	15	4,823,244	4,902,379
Bad debts		329,260	2,898,278
Collection cost		170,648	521,001
Depreciation		5,836,130	1,973,728
Repairs & maintenance		3,840,471	3,223,654
Interest paid/Capital Charges	18	1,832,867	2,004,298
Contracted services		3,122	192,854
Grants & Subsidies paid		13,043,781	21,974,195
General expenses	16	31,528,680	33,607,137
Loss on disposal of property, plant and equipment		11,974,425	0
Total expenditure		146,167,201	146,324,249
SURPLUS/(DEFICIT)		11,465,664	4,291,325
SURPLUS/(DEFICIT) FOR THE YEAR		11,465,664	4,291,325



West Rand District Municipality
STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2008

	Note	Capitalisation Reserve	Transport Fund	Capital Replacement Reserve	Government Grant reserve	Donations & Public Contributions Reserve	Revaluation Reserve	Accumulated Surplus/(deficit)	Total
2007									
Balance at 1 July 2006	19	0	820,253	8,942,275	19,516,448	0	0	29,502,721	58,781,697
Correction of error		0	0	0	0	0	0	0	0
Restated Balance		0	820,253	8,942,275	19,516,448	0	0	29,502,721	58,781,697
Surplus/(deficit) for the year		0	0	0	0	0	0	4,291,325	4,291,325
Reserves utilised in operating		0	-295,000	0	0	0	0	295,000	0
Transfer to CRR		0	0	1,500,000	0	0	0	0	1,500,000
Property, Plant & Equipment purchased		0	0	-4,542,450	0	0	0	4,542,450	0
Capital grants used to purchase PPE		0	0	0	1,464,751	0	0	-1,464,751	0
Offsetting of Depreciation		0	0	0	-933,199	0	0	933,199	0
Other transfers		0	1,565,625	171,624	0	0	0	11,215,605	12,952,854
Balance at 30 June 2007		0	2,090,878	6,071,449	20,048,000	0	0	49,315,549	77,525,876
2008									
Correction of error		0	0	0	0	0	0	-727,000	-727,000
Restated Balance		0	2,090,878	6,071,449	20,048,000	0	0	3,250,149	3,250,149
Surplus/(deficit) for the year		0	0	0	0	0	0	51,838,698	80,049,025
Reserves utilized in operating		0	-909,122	0	0	0	0	11,465,664	11,465,664
Transfer to CRR		0	0	0	0	0	0	909,122	0
Property, Plant & Equipment purchased		0	0	13,950,000	0	0	0	-13,950,000	0
Capital grants used to purchase PPE		0	0	-7,046,754	0	0	0	7,046,754	0
Offsetting of Depreciation		0	0	0	629,316	0	0	-629,316	0
Other transfers		0	0	0	-278,630	0	0	278,630	0
Balance at 30 June 2008		0	1,355,206	1,157,000	20,398,686	0	0	56,342,134	94,227,721



West Rand District Municipality

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008 R	2007 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts from ratepayers, government and other		157,558,622	159,219,196
Cash paid to suppliers and employees		-150,596,527	-155,934,167
Cash generated from/(utilized in) operations	20	6,962,095	3,285,029
Interest received		9,612,363	7,730,673
Interest paid		-1,832,867	-2,004,298
NET CASH FROM OPERATING ACTIVITIES		14,741,591	9,011,404
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment		-7,676,070	-6,178,826
Proceeds on disposal of property, plant and equipment		-11,974,425	0
Decrease in non-current receivables		31,676	70,544
Decrease in call investment deposit		10,649,452	10,670,854
NET CASH FROM INVESTING ACTIVITIES		-8,969,367	4,562,572
CASH FLOWS FROM FINANCING ACTIVITIES			
New loans raised/(repaid)		-6,006,714	-1,692,567
NET CASH FROM FINANCING ACTIVITIES		-6,006,714	-1,692,567
NET DECREASE IN CASH AND CASH EQUIVALENTS		-234,490	11,881,409
Cash and cash equivalents at the beginning of the year		22,975,609	11,094,200
Cash and cash equivalents at the end of the year		22,741,119	22,975,609
		234,490	-11,881,409

**WEST RAND DISTRICT MUNICIPALITY
ACCOUNTING POLICIES TO THE ANNUAL FINANCIAL
STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008**

1. BASIS OF PRESENTATION

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention, unless otherwise stated. *Except for the revaluation of land and buildings, which are carried at fair value.*

These annual financial statements have been prepared in accordance with Generally Accepted Municipal Accounting Practices (GAMAP) and Generally Recognised Accounting Practice (GRAP). These accounting policies are consistent with those of the previous financial year.

The financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practices (GRAP) and the Standards of Generally Accepted Municipal Accounting Practices (GAMAP) prescribed by the Minister of Finance in terms of:

General Notice 991 of 2005, issued in Government Gazette no. 28095 of 7 December 2005; and
General Notice 992 of 2005, issued in Government Gazette no. 28095 of 15 December 2005.

The standards comprise of the following:

GRAP 1	Presentation of Financial Statements
GRAP 2	Cash Flow Statements
GRAP 3	Accounting Policies, Changes in Accounting Estimates and Errors
GAMAP 4	The Effects of Changes in Foreign Exchange Rates
GAMAP 6	Consolidated Financial Statements and Accounting for Controlled Entities
GAMAP 7	Accounting for Investments in Associates
GAMAP 8	Financial Reporting of Interests in Joint Ventures
GAMAP 9	Revenue
GAMAP 12	Inventories
GAMAP 17	Property, Plant and Equipment
GAMAP 19	Provisions, Contingent Liabilities and Contingent Asset

Accounting policies for material transactions, events or conditions not covered by the above GRAP and GAMAP Standards have been developed in accordance with paragraph 7, 11 and 12 of GRAP 3. These accounting policies and the applicable disclosures have been based on the South African Statements of Generally Accepted Accounting Practices (GAAP) including any interpretations of such Statements issued by the Accounting Practices Board. A summary of the significant accounting policies are disclosed below.

No	Standard no.	Standard title
1	AC 105	Leases
2	AC 116	Employee benefits

The principal accounting policies adopted in the preparation of these annual financial statements are set out below.

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GAMAP or GRAP.

2. PRESENTATION CURRENCY

These annual financial statements are presented in South African Rand.

3. GOING CONCERN ASSUMPTION

These annual financial statements have been prepared on a going concern basis.

4. RESERVES

4.1 Capital Replacement Reserve (CRR)

In order to finance the provision of infrastructure and other items of property, plant and equipment from internal sources, amounts are transferred from the accumulated surplus/ (deficit) to the CRR in terms of a Council resolution. A corresponding amount is transferred to a designated CRR bank or investment account. The cash in the designated CRR bank account can only be utilised to finance items of property, plant and equipment. The CRR is reduced and the accumulated surplus/ (deficit) are credited by a corresponding amount when the amounts in the CRR are utilised.

The amount transferred to the CRR is based on the municipality's need to finance future capital projects included in the Integrated Development Plan.

4.2 Government Grant Reserve

When items of property, plant and equipment are financed from government grants, a transfer is made from the accumulated surplus/ (deficit) to the Government Grants Reserve equal to the Government

Grant recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Government Grant Reserve to the accumulated surplus/(deficit). The purpose of this policy is to promote community equity by ensuring that the future depreciation expenses that will be incurred over the useful lives of government grant funded items of property, plant and equipment are offset by transfers from this reserve to the accumulated surplus/(deficit)

When an item of property, plant and equipment financed from government grants is disposed, the balance in the Government Grant Reserve relating to such item is transferred to the accumulated surplus/(deficit).

4.3 Donations and Public Contributions Reserve

When items of property, plant and equipment are financed from public contributions and donations, a transfer is made from the accumulated surplus/(deficit) to the Donations and Public Contributions Reserve equal to the donations and public contributions recorded as revenue in the Statement of Financial Performance in accordance with a directive (budget circular) issued by National Treasury. When such items of property, plant and equipment are depreciated, a transfer is made from the Donations and Public Contributions Reserve to the accumulated surplus/(deficit). The purpose of this policy is to promote community equity and facilitate budgetary control by ensuring that sufficient funds are set aside to offset the future depreciation charges that will be incurred over the estimated useful life of the

item of property, plant and equipment financed from donations and public contributions.

When an item of property, plant and equipment financed from government grants is disposed, the balance in the Donations and Public Contributions Reserve relating to such item is transferred to the accumulated surplus/(deficit).

5. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment, is stated at cost, less accumulated depreciation and impairment losses, except land as indicated below.

Heritage assets, which are culturally significant resources and which are shown at cost, are not depreciated owing to the uncertainty regarding their estimated useful lives. Similarly, land is not depreciated as it is deemed to have an indefinite life.

Where items of property, plant and equipment have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the period that the impairment is identified.

The cost of an item of property, plant and equipment acquired comprises its purchase price, including import duties and non-refundable taxes, and any directly attributable cost incurred in the acquisition, establishment and installation of such assets so as to bring them to working condition for their intended use.

The cost of an item of property, plant and equipment acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets was measured at its fair value. If the acquired item could not be measured at its fair value, its cost was measured at the carrying amount of the asset given up.

Subsequent expenditure is capitalised when the recognition and measurement criteria of an asset are met.

Residual Value

The West Rand District Municipality maintains and acquires assets to provide a social service to the community with no intention of disposing the assets for any economic gain and thus a residual value of R1 is determined.

Property, plant and equipment (excluding land) are depreciated to a R1 value. Where there are residual values these are not material. All assets that are depreciated to R1 value are revalue to 50 % of the original value. Assets with a value less than R2000 and a life span of 1 year and less are deemed to be consumable items.

Depreciation

Depreciation is calculated on cost, using the straight-line method over the estimated useful lives of the assets. Depreciation of assets commence when the asset is ready for its intended use. The annual depreciation rates are based on the following estimated asset lives:-

Infrastructure	<u>Years</u>	Other	<u>Years</u>
Roads and Paving	30	Buildings	30
Pedestrian Malls	30	Specialist vehicles	10
Electricity	20-30	Other vehicles	5
Water	15-20	Office equipment	3-7
Sewerage	15-20	Furniture and fittings	7-10
		Watercraft	15
		Bins and containers	5
Community		Specialised plant and equipment	10-15
Buildings	30	Other items of plant and equipment	2-5
Recreational Facilities	20-30	Landfill sites	15
Security	5		

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease if there is reasonable certainty that the municipality will obtain ownership by the end of the lease term.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount and an impairment loss is charged to the Statement of Financial Performance.

Revaluation of land and buildings

Land and buildings are stated at revalued amounts, being the fair value at the date of the revaluation that for purposes of the asset register will be the value as per general valuation done in terms of the property rates act, less subsequent accumulated depreciation.

Intangible assets

Intangible assets are carried at cost less accumulated amortisation and any impairment losses.

Software is amortised on a straight-line basis over its anticipated useful life.

By their nature, servitudes have an indefinite useful life and are not amortised.

Web site costs are expensed when it is incurred as it primarily provide information to the public at large on the generation of future economic benefits or service potential.

6. INVESTMENTS

6.1 Financial Instruments

Financial instruments, which include listed government bonds, unlisted municipal bonds, fixed deposits and short-term deposits invested in registered commercial banks, are recorded at cost and remeasured to fair value at subsequent reporting dates.

Changes in the fair value of financial instruments that are designated and effective as cash flow hedges are recognised directly in the accumulated surpluses/ (deficits). Amounts deferred in net assets are recognised in the Statement of Financial Performance in the same period in which the hedged firm commitment or forecasted transaction affects net surplus/ (deficit).

Changes in the fair value of financial instruments that do not qualify for hedge accounting are recognised in the Statement of Financial Performance as they arise.

7. INVENTORIES

Inventories include consumables stores, maintenance materials, spare parts for plant and equipment and land and or property held for sale. Cost is determined by the weighted average method and comprises all costs of purchases, cost of development, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Inventories are stated at the lower of cost and the current replacement cost where current replacement cost represents the cost the municipality would incur to acquire the item on the reporting date.

When inventories are sold, exchanged or distributed the carrying amount of those inventories shall be recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expense is recognised when goods are distributed or related service is rendered.

The amount of any write-down of inventories and all losses of inventories shall be recognised as an expense in the period the write-down or loss occurs. The amount of any write-down of inventories, arising from an increase in the net realisable value, shall be recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

8. ACCOUNTS RECEIVABLE

Debtors are recognised initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment. A provision for impairment of debtors is established when there is objective evidence that the municipality will not be able to collect all amounts due according to the original terms of the debtors. The amount of the provision is the difference between the assets carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. Impairment losses are recognised in the Statement of Financial Performance.

Accounts receivable are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. Bad debts are written off during the

year in which they are identified. Amounts that are receivable within 12 months from the reporting date are classified as current.

9. TRADE CREDITORS

Trade creditors are stated at their nominal value.

10. REVENUE RECOGNITION

10.1 Revenue from Exchange Transactions

Interest and rentals are recognised on a time proportion basis.

Income for agency services is recognised on a monthly basis once the income collected on behalf of agents has been quantified. The income recognised is in terms of the agency agreement.

Revenue from the sale of goods is recognised when the risk and rewards of ownership are passed to the purchaser

Revenue from public contributions is recognised when all conditions associated with the contribution have been met or where the contribution is to finance property, plant and equipment, when such items of property, plant and equipment is brought into use. Where public contributions have been received but the municipality has not met the condition, a liability is recognised

10.2 Revenue from non-exchange transactions

Revenue from property rates is recognised when the legal entitlement to this revenue arises. Collection charges are recognised when such amounts are legally enforceable. Penalty interest on unpaid rates is recognised on a time proportion basis.

Donations are recognised on a cash receipt basis or where the donation is in the form of property, plant and equipment, at the fair value of the consideration received or receivable.

Contributed property, plant and equipment are recognised when such items of property, plant and equipment is transferred to the municipality.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including those

set out in the Municipal Finance Management Act (Act No.56 of 2003) and is recognised when the recovery thereof from the responsible councillors or officials is virtually certain.

11. CONDITIONAL GRANTS AND RECEIPTS

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the Municipality has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

12. PROVISIONS

Provisions are recognised when the Municipality has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting sheet date and adjusted to reflect the current best estimate. Non-current provisions are discounted to the present value using a discount rate based on the average cost of borrowing to the Municipality.

13. CASH AND CASH EQUIVALENTS

Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks and investments in financial instruments, net of bank overdrafts.

Bank overdrafts are recorded based on the facility utilised. Finance charges on bank overdraft are expensed as incurred.

14. UNAUTHORISED EXPENDITURE

Unauthorised expenditure is expenditure that has not been budgeted, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, municipality or organ of state and expenditure in the form of a grant that is not permitted in terms of the

Municipal Finance Management Act (Act No.56 of 2003). Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

15. IRREGULAR EXPENDITURE

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

16. FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

17. COMPARATIVE INFORMATION

17.1 Current year comparatives:

Budgeted amounts have been included in the annual financial statements for the current financial year only.

17.2 Prior year comparatives:

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are reclassified. The nature and reason for the reclassification is disclosed.

18. LEASES

The Municipality as Lessee

Leases are classified as finance leases where substantially all the risks and rewards associated with ownership of an asset are transferred to the municipality. Property, plant and equipment subject to finance lease agreements are capitalised at their cash cost equivalent and the corresponding liabilities are raised. The cost of the item of property, plant and equipment is depreciated at appropriate rates on the straight-line basis over its estimated useful life. Lease payments are allocated between the lease finance cost and the capital repayment using the effective interest rate method. Lease finance costs are expensed when incurred.

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are charged to the statement of financial performance on a straight-line basis over the period of the lease.

The Municipality as Lessor

Assets leased to third parties under operating leases are included in property, plant and equipment in the statement of financial position. These assets are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

19. RETIREMENT BENEFITS

The municipality contribute to retirement benefit plans and after retirement contributions to medical aid funds

i) Defined benefit plans

The defined benefit funds, which are administered on a provincial basis, are actuarially valued triennially on the projected unit credit method basis. Deficits identified are recognised as a liability and are recovered through lump sum payments or increased future contributions on a proportional basis to all participating municipalities.

ii) Defined contribution plans

The contributions to fund obligations for the payment of retirement benefits are charged to the statement of financial performance in the same period as the related service is provided.

iii) Post-retirement medical benefits

The municipality contribute to the medical fund of certain ex-employees. These benefits are charged to the statement of financial performance in the year of payment.

19. BORROWING COSTS

Borrowing costs are recognised as an expense in the Statement of Financial Performance

20. INTERNAL FINANCING OF PROPERTY, PLANT AND EQUIPMENT

In order to finance the provision of infrastructure and other items of property, plant and equipment, amounts are provided from cash surpluses generated.

21. WESMET

memo statements are included in the annual financial statements regarding the TRANSPORT FUND partly funded by GAUTRANS.

West Rand District Municipality

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008 R	2007 R
1 TRANSPORT FUND		
Transport Fund	1,355,207	2,090,879
Unappropriated Surplus	2,090,879	820,254
Transfers from Operating Income	173,450	1,565,625
Transfers for expenditure incurred	-909,122	-295,000
Bank and cash	1,355,207	2,090,879
Total Transport Fund: Assets and Liabilities	0	0
2 LONG-TERM LIABILITIES		
Annuity Loans	17,784,341	19,646,822
Capital Lease liability	6,626,283	
	24,410,624	19,646,822
Less : Current portion annuity	-2,008,924	-1,429,864
Less : Current portion annuity	-3,961,713	
Total External Loans	18,439,987	18,216,958
Refer to Appendix A for more detail on long-term liabilities.		
3 PROVISIONS		
3.1 NON-CURRENT PROVISIONS		
Retirement benefits fund	0	140,327
Total Non-Current Provisions	0	140,327
The movement in the non-current provision is reconciled as follows: -		
Balance at beginning of year	140,327	584,852
Contributions to provision	2,647	30,397
Transferred to expenditure	-142,974	-474,922
Balance at end of year	0	140,327
3.2 PROVISIONS		
Project provision	11,385,187	12,930,464
Total Provisions	11,385,187	12,930,464
The movement in the non-current provision is reconciled as follows: -		
Balance at beginning of year	12,930,646	21,385,527
Contributions to provision	8,843,240	5,825,275
Transferred to expenditure	-10,388,699	-14,280,156
Balance at end of year	11,385,187	12,930,646
4 CREDITORS		
Trade creditors	3,718,481	780,659
Payments received in advance	782,048	1,094,463
Staff leave provision	4,071,870	3,749,534
	8,572,399	5,624,656

West Rand District Municipality

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008 R	2007 R
5 UNSPENT CONDITIONAL GRANTS AND RECEIPTS		
5.1 Conditional Grants from other spheres of Government	1,979,008	8,171,804
Finance Management Grant	21,287	134,850
Capacity Building Grant	0	0
MSIG	245,885	668,121
LED Grants	0	1,499,450
HIV/Aids Grant	1,001,497	4,285,038
Bekkersdal Urban Renewal	375,032	1,359,225
MIG	282,000	0
Transition Grant	53,307	225,120
5.2 Other Conditional Receipts	0	163,424
Industrial Development Corporation	0	163,424
Total Conditional Grants and Receipts	1,979,008	8,335,228
See Note 13 for reconciliation of grants from other spheres of government. These amounts are invested in a ring-fenced investment until utilized.		
6 VAT		
VAT payable	419,138	2,595,137
VAT is payable on the receipts basis. Once payment is received from debtors VAT is paid over to SARS.		
7 LONG-TERM RECEIVABLES		
Internal learnership assistance	364,019	438,212
Less : Current portion transferred to current receivables	202,893	245,410
Internal learnership	202,893	245,410
Total	161,126	192,802
8 INVENTORY		
Consumable stores – at cost	410,823	327,002
Total Inventory	410,823	327,002

9.1 PROPERTY, PLANT AND EQUIPMENT
30-Jun-08

30-Jun-08 Reconciliation of Carrying Value	Land and Buildings	Infra- structure	Community	Heritage	Other	Total
	R	R	R	R	R	R
Carrying values at 1 July 2007	35,671,024	449,761	2,201,520	0	4,681,818	43,004,123
Cost	36,082,163	960,556	2,201,520	0	20,833,214	60,077,453
Correction of error						
Accumulated depreciation	-411,139	-510,795	0	0	-16,151,496	-17,073,430
Acquisitions	4,217,884	55,745	2,298,983	0	1,103,456	7,676,068
Disposals	-10,645,983	-302,799	-726,222		-7,923,690	-19,598,694
Transfers	-4,113,550	-1,889	4,113,550		11,002,052	11,000,363
Cost of disposals	0	0	0		7,624,270	7,624,270
Depreciation	0	-125,726	0	0	-5,710,405	-5,836,131
Other movements	411,139	206,861	0	0	2,632,200	3,250,200
Carrying values at 30 June 2008	25,540,514	282,153	7,887,831	0	13,409,601	47,120,099
Cost	24,174,124	711,813	7,887,831	0	25,015,032	57,788,800
Less investment assets	1,366,390					1,366,390
Accumulated depreciation	0	-429,660	0	0	-11,605,431	-12,035,091

30-Jun-07 Reconciliation of Carrying Value	Land and Buildings	Infra- structure	Community	Heritage	Other	Total
	R	R	R	R	R	R
Carrying values at 1 July 2006	31,818,427	482,010	2,201,520	0	4,297,068	38,799,025
Cost	31,818,427	843,513	2,201,520	0	19,035,267	53,898,727
Correction of error					305,986	305,986
Accumulated depreciation	0	-361,503	0	0	-15,044,185	-15,405,688
Acquisitions	4,263,736	117,043	0	0	1,798,047	6,178,826
Depreciation	-411,139	-149,292	0	0	-1,107,311	-1,667,742
Carrying values at 30 June 2007	35,671,024	449,761	2,201,520	0	4,681,818	43,004,123
Cost	36,082,163	960,556	2,201,520	0	20,833,314	60,077,553
Less investment assets	1,974,591					1,974,591
Accumulated depreciation	-411,139	-510,795	0	0	-16,151,496	-17,073,430

9.2 INVESTMENT PROPERTY

Cost	1,366,390	1,974,591
Total Investment Property	<u>1,366,390</u>	<u>1,974,591</u>

Revenue earned from the investment property is included in the statement of financial performance

9.3 CHANGES IN ACCOUNTING POLICY

During 2007 the WRDM changed its accounting policy with respect to the treatment of components of the property, plant and equipment. The effect of the policy is that in the current year assets with a balance of R1 were revalued by 50% of the original cost. Depreciation will be calculated according to the determined useful life of those assets

West Rand District Municipality

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	R	R
10 OTHER DEBTORS (RSC and Bulk services)		
	Gross Balances	Provision for Bad Debts
	R	R
As at 30 June 2008		Net Balance
		R
Other debtors		
RSC Levies	6,394,148	6,394,148
Bulk services & other	0	0
Ambulance	9,079,181	1,702,900
Other	4,441,979	2,494,151
Total	19,915,308	10,591,199
		9,324,109

An amount of R6,610,750.00 is included in Ambulance debtors for subsidy outstanding for the 4th quarter

As at 30 June 2007

Other debtors			
RSC Levies	8,327,576	8,229,829	97,747
Bulk services & other	27,560,233	18,793,326	8,766,907
Ambulance	3,155,738	2,652,450	503,288
Other	579,410	278,017	301,393
Total	39,622,957	29,953,622	9,669,335

RSC: Ageing

Current (0 – 30 days)	33,528	55,370
31 - 60 Days	804	9,142
61 - 90 Days	6,664	33,235
91 - 120 Days	322	27,308
+ 121 Days	6,352,830	8,202,521
Total	6,394,148	8,327,576

Bulk services & Other: Ageing

Current (0 – 30 days)	0	8,529,102
31 - 60 Days	0	113,892
61 - 90 Days	0	128,190
91 - 120 Days	0	198,412
+ 365 Days	0	18,590,637
Total	0	27,560,233

Ambulance

Current (0 – 30 days)	315,072	172,824
31 - 60 Days	6,942,397	179,101
61 - 90 Days	118,766	147,376
91 - 120 Days	99,044	145,989
+ 365 Days	1,603,902	2,510,448
Total	9,079,181	3,155,738

Other

Current (0 – 30 days)	1,845,609	133,877
31 - 60 Days	183,090	117,768
61 - 90 Days	70,096	0
91 - 120 Days	76,223	30
+ 365 Days	2,266,961	327,735
Total	4,441,979	579,410

An amount of R1137944.00 is included in total for Vat outstanding

West Rand District Municipality

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008 R	2007 R
<u>Reconciliation of the bad debts provision</u>		
Balance beginning of the year	29,953,622	38,513,353
Contributions to provision	0	2,652,450
Bad debts written off against provision	-19,362,423	-5,954,889
Reversal of provision	0	-5,257,292
Balance end of year	<u>10,591,199</u>	<u>29,953,622</u>

Amounts owed iro ambulance debtors are in terms of the service level agreement with the Department of Health and provided for as bad debt.
Amounts written-off refers to ambulance fees not collected and written-off.

11 CALL INVESTMENT DEPOSITS

Other Deposits	<u>61,033,863</u>	<u>50,384,410</u>
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12 BANK, CASH AND OVERDRAFT BALANCES

The Municipality has the following bank account: -

Current Account (Primary Bank Account)

Standard Bank Corporate : Account Number 021307350

Cash book balance at beginning of year	22,968,459	11,089,050
Cash book balance at end of year	<u>22,735,969</u>	<u>22,968,459</u>

Bank statement balance at beginning of year	29,360,204	13,672,864
Bank statement balance at end of year	<u>22,905,315</u>	<u>29,360,204</u>

Cash on hand	5,150	7,150
Bank balance and cash	<u>22,741,119</u>	<u>22,975,609</u>

13 GOVERNMENT GRANTS AND SUBSIDIES

RSC Replacement grant	100,500,733	87,943,033
Equitable share	5,612,000	3,360,000
Provincial LED Projects	177,569	5,007,445
West Rand Development Agency	163,423	0
Provincial ambulance subsidies	24,528,250	22,263,016
HIV/Aids Grant	5,366,542	1,890,000
Urban renewal Bekkersdal	984,193	0
Other Conditional Grants	631,155	805,069
MSIG	1,422,236	1,019,504
Department of Transport	0	0
MIG Grant	629,315	5,048,015
Total Government Grants and Subsidies	<u>140,015,416</u>	<u>127,336,082</u>

13.1 Equitable Share

In terms of the Constitution, this grant is used to subsidise the provision of basic services to indigent community members.

13.2 Provincial LED Projects

Balance unspent at beginning of year	1,499,450	5,782,250
Current year receipts	0	724,645
Other transfers	-1,318,678	0
Conditions met - transferred to revenue	<u>-177,569</u>	<u>-5,007,445</u>
Conditions still to be met - transferred to liabilities (see note 5)	<u>3,203</u>	<u>1,499,450</u>

This grant was used to construct roads and sewerage infrastructure as part of the upgrading of informal settlement areas (included in the roads and sewerage votes in Appendix B). No funds have been withheld.

West Rand District Municipality

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

2008	2007
R	R

13.2 Provincial ambulance Subsidy

The subsidy was received by the WRDM to finance the ambulance service as part of a service level agreement on behalf of the department of Health.

13.3 HIV/Aids Grant

Balance unspent at beginning of year	4,285,039	1,772,039
Current year receipts	2,083,000	4,403,000
Conditions met - transferred to revenue	<u>-5,366,542</u>	<u>-1,890,000</u>
Conditions still to be met - transferred to liabilities (see note 5)	<u>1,001,497</u>	<u>4,285,039</u>

This grant was used to finance the HIV/Aids Campaigns at the WRDM and Local Municipalities

13.4 Bekkersdal Urban Renewal

Balance unspent at beginning of year	1,359,226	1,359,226
Current year receipts	0	0
Conditions met - transferred to revenue	<u>-984,193</u>	<u>0</u>
Conditions still to be met - transferred to liabilities (see note 5)	<u>375,033</u>	<u>1,359,226</u>

This grant was used to finance the urban renewal programme on behalf of the Provincial Government, the outstanding amount is the retention on this project

13.5 Other Conditional Grants

Balance unspent at beginning of year	359,970	665,039
Current year receipts	500,000	500,000
Other transfers	-157,425	
Conditions met - transferred to revenue	<u>-631,155</u>	<u>-805,069</u>
Conditions still to be met - transferred to liabilities (see note 5)	<u>71,390</u>	<u>359,970</u>

These grants include balances of the FMG and Local Government transition grants and are used to finance expenditure according to the approved business plan.

13.6 MSIG

Balance unspent at beginning of year	668,121	687,625
Current year receipts	1,000,000	1,000,000
Conditions met - transferred to revenue	<u>-1,422,236</u>	<u>-1,019,504</u>
Conditions still to be met - transferred to liabilities (see note 5)	<u>245,885</u>	<u>668,121</u>

This grant was utilized to finance expenditure of the implementation of the Property Rates Act and funding for the development for the IDP and Performance Management System

West Rand District Municipality

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008 R	2007 R
13.7 MIG		
Balance unspent at beginning of year	0	5,048,015
Current year receipts	911,315	0
Conditions met - transferred to revenue	-629,315	-5,048,015
	<u>282,000</u>	<u>0</u>
Conditions still to be met - transferred to liabilities (see note 5)		
	<u>282,000</u>	<u>0</u>

The Infrastructure grant is utilized to finance approved projects at the Local Municipalities.

14 EMPLOYEE RELATED COSTS

Employee related costs - Salaries and Wages	46,602,230	50,468,374
Employee related costs - Contributions to UIF, pensions and medical aids	13,304,340	12,930,480
Travel, motor car, accommodation, subsistence and other allowances	3,607,152	2,990,907
Housing benefits and allowances	1,018,020	1,011,974
Overtime payments	8,252,831	7,624,990
Performance bonus	0	0
Total Employee Related Costs	72,784,573	75,026,725

There were no advances to employees.

Remuneration of the Municipal Manager

Annual Remuneration	863,055	810,913
Performance Bonuses	0	0
Contributions to UIF, Medical and Pension Funds	0	1,060
Total	863,055	811,973

Remuneration of the Chief Financial Officer

Annual Remuneration	750,000	701,455
Performance Bonuses	0	0
Contributions to UIF, Medical and Pension Funds	0	1,060
Total	750,000	702,515

Remuneration of the Chief Operational Officer

Annual Remuneration	750,000	0
Performance Bonuses	0	0
Contributions to UIF, Medical and Pension Funds	0	0
Total	750,000	0

West Rand District Municipality

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	R	R
<i>Remuneration of Individual Executive Directors</i>		
	<u>Technical</u>	<u>Health</u>
	<u>Services</u>	<u>Services</u>
	R	R
30-Jun-07		
Annual Remuneration	0	0
Performance Bonuses	0	0
Medical and pension funds	0	0
Total	0	0
Contract ended 30/09/2006		
30-Jun-06		
Annual Remuneration	148,364	148,364
Performance Bonuses	0	0
Medical and pension funds	350	350
Total	148,714	148,714

15 REMUNERATION OF COUNCILLORS

Executive Mayor	510,230	498,093
Speaker	282,264	244,208
Mayoral Committee Members	2,080,107	2,263,843
Councillors	1,950,643	1,837,747
Councillors' pension contribution	0	58,488
Total Councillors' Remuneration	4,823,244	4,902,379

In-kind Benefits

The Executive Mayor, Deputy Executive Mayor, Speaker and Executive Committee Members are full-time. Each is provided with an office and secretarial support at the cost of the Council.

The Executive Mayor is entitled to stay at the mayoral residence owned by Council at no cost. The Executive Mayor has use of a Council owned vehicle for official duties.

The Executive Mayor has two full-time bodyguards.

16 General Expenses

Vehicles : Fuel	1,303,602	1,274,065
Levies : Electricity/Water/Sebage/Refuse	1,441,546	1,750,130
Professional Fees	3,785,590	2,890,232
Security Services	1,118,443	1,017,945
Telephone Cost/ Internet line	2,249,531	3,005,263
Contribution Capital Expenditure	13,950,000	1,500,000
Insurance Premie/Excess payments	2,022,694	2,510,004
Other Cost	5,657,274	19,659,498
	31,528,680	33,607,137

17 Other Income

Insurance Claims	1,172,175	1,415,449
Sale of Redundant Assets	1,073,797	0
Other	1,551,124	1,184,992
	3,797,096	2,600,441

West Rand District Municipality

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008 R	2007 R
18 INTEREST PAID		
Long-term liabilities	1,832,866	2,004,298
Total Interest on External Borrowings	1,832,866	2,004,298
19 CORRECTION OF ERROR		
19.3 Depreciation		
Previously reported	0	15,405,688
Correction	0	-305,986
Restated balance	0	15,099,702
Adjustment on depreciation		
19.4 Other debtors		
Previously reported	0	13,960,580
Adjustment (Max Prof findings)	0	675,821
Restated balance	0	14,636,401
Vat audit done by Max Prof for 2001 to 2005		
19.5 Accumulated Surplus		
Previously reported	0	28,520,914
Adjustment (Max Prof findings)	0	675,821
Adjustment Depreciation	0	305,986
	0	29,502,721
20 CASH GENERATED BY OPERATIONS		
Surplus/(deficit) for the year	11,465,664	4,291,325
Adjustment for:-		
Correction of error	-727,000	
Depreciation	6,047,894	1,667,742
Gain/loss on disposal of property plant and equipment	11,974,425	
Other transfers	-16,124,774	
Carrying value of disposals(included in Gain on disposal of PPE)	9,289,614	
Offsetting of depreciation	0	-933,199
Contribution to provisions/reserves - non-current	0	7,386,233
Contribution to provisions – current	0	0
Interest paid	1,832,867	2,004,298
Investment income	-9,612,363	-7,730,673
Operating surplus before working capital changes:	14,146,327	6,685,726
Decrease in inventories	83,821	20,958
(Increase)/decrease in debtors	-345,228	4,410,812
Increase/(decrease) in other provisions & reserves	-1,545,459	-444,525
(Decrease)/increase in unspent conditional grants and receipts	-6,356,220	-6,979,167
(Decrease)/Increase in creditors	771,746	-746,537
Other adjustments	9,469	337,762
Cash generated by/(utilized in) operations	6,764,456	3,285,029

West Rand District Municipality

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	R	R

21 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise the following statement of amounts indicating financial position

Bank balances and cash	22,741,119	22,975,609
Call investment deposits	61,083,863	50,384,410
Total cash and cash equivalents	83,824,982	73,360,019

22 UTILIZATION OF LONG-TERM LIABILITIES RECONCILIATION

Long-term liabilities (see Note 2)	24,410,624	19,646,822
Used to finance property, plant and equipment – Local Municipalities	24,410,624	19,646,822
Total	0	0

Long-term liabilities have been utilized to finance assets on behalf of the Local Municipalities and these assets are not included in the asset register of the District Municipality

23 ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

23.1 Contributions to organized local government

Opening balance	0	0
Council subscriptions	450,219	0
Amount paid - current year	-450,219	0
Amount paid - previous years	0	0
Balance unpaid (included in creditors)	0	0

23.2 Audit fees

Opening balance	0	0
Current year audit fee	818,933	693,212
Amount paid - current year	-818,933	-693,212
Balance unpaid (included in creditors)	0	0

23.3 VAT

VAT inputs received and VAT outputs received are shown in note 6. All VAT returns have been submitted by the due date throughout the year.

23.4 PAYE and UIF

Opening balance	0	0
Current year payroll deductions	11,252,751	12,322,163
Amount paid - current year	-11,252,751	-12,322,163
Amount paid - previous years	0	0
Balance unpaid (included in creditors)	0	0

SARS conducted a tax audit for councillors for the period 1 March 2002 to 28 February 2006. This resulted in a tax liability of R1,351,850.06 which was covered by the refund from SARS of R1,821,546.27 during September 2007

West Rand District Municipality

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2008

2008	2007
R	R

23.5 Pension and Medical Aid Deductions

Opening balance	0	0
Current year payroll deductions and Council Contributions	17,844,407	19,495,981
Amount paid - current year	-17,844,407	-19,495,981
Balance unpaid (included in creditors)	0	0

24 CAPITAL COMMITMENTS

Commitments in respect of capital expenditure:

- Approved and contracted for

Infrastructure

Community

13,983,478	4,263,736
0	1,915,090

Total

13,983,478	6,178,826
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This expenditure will be financed from:

- Government Grants

- Own resources

0	1,212,596
13,983,478	4,966,230
13,983,478	6,178,826

25 RETIREMENT BENEFIT INFORMATION

All Councillors and employees belong to 3 defined benefit retirement funds administered by the Provincial Pension Fund. These funds are subject to a triennial actuarial valuation. The last valuation was performed in 2005. These valuations indicate that the funds are in a sound financial position.

An amount of R18m was contributed by Council in respect of Councillor and employees retirement funding. These contributions have been expensed.

26 EVENTS AFTER THE REPORTING DATE

A private company (Merafong Flora) was registered for the operations of the Cut Foilage LED project during July 2006. All assets & Liabilities were transferred to the Southern District Municipality July 2007

27 COMPARISON WITH THE BUDGET

The comparison of the Municipality's actual financial performance with that budgeted is set out in Annexure E(1) and E(2).

28 LEASES

The Municipality comply with the international accounting standard on leases (IAS) 17 as none of the operating leases provides for any escalation and the lease amount stay therefore the same for the lease period. No additional disclosure in this regard is included for the above reason.

The total of future minimum lease payments under non-cancellable operating leases for each of the following periods:

(i) Not later than one year;	528,724	449,353
(ii) Later than one year and not later than five years;	5,720,042	17,797,412
(iii) Later than five years.	0	0

West Rand District Municipality

APPENDIX A

SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2008

EXTERNAL LOANS	Loan Number	Redeemable	Balance at 2007-06-30	Received during the period(1)	Redeemed written off during the period	Balance at 2008-06-30	Carrying Value of Property, Plant & Equip(2)	Other Costs in accordance with the MFMA
Annuity Loans								
DBSA loan 10%	1	2014-09-30	1,223,294	0	-115,970	1,107,324	0	0
DBSA loan 10%	2	2014-09-30	4,221,957	0	-400,233	3,821,724	0	0
DBSA loan 10%	3	2014-09-30	8,483,660	0	-804,233	7,679,427	0	0
DBSA loan 10%	4	2014-09-30	4,194,314	0	-397,611	3,796,703	0	0
DBSA loan 10%	5	2014-09-30	720,906	0	-68,340	652,566	0	0
DBSA loan 10%	6	2014-09-30	802,689	0	-76,094	726,595	0	0
			19,646,820		-1,862,481	17,784,339	0	0
MTN Cell phone contracts	7		0	777,841	-370,770	407,071		
Standard Bank lease vehicles	8		0	9,669,952	-3,887,464	5,782,488		
Zevoli Rentals	9		0	913,155	-476,429	436,726		
			0	11,360,948	-4,734,663	6,626,285		
TOTAL EXTERNAL LOANS			19,646,820	11,360,948	-6,597,144	24,410,624	0	0

(1) Adjustments to interest accrued at year end are included in the received column.

(2) The DBSA loans were utilised to finance assets constructed on behalf of the Local Municipalities and therefor not included in the asset register of the WRDM

(3) Lease assets included in assets register

APPENDIX B

ANALYSIS OF PROPERTY, PLANT & EQUIPMENT AS AT 30 JUNE 2008

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Appendix C

SEGMENTAL ANALYSIS OF PROPERTY, PLANT & EQUIPMENT AS AT 30 JUNE 2008

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West Rand District Municipality

APPENDIX D

SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30-Jun-2008

2007 Actual Income	2007 Actual Expenditure	2007 Surplus/ (Deficit)	2008 Actual Income	2008 Actual Expenditure	2008 Surplus/ (Deficit)
0	0	0	0	0	0
5,571,698	28,481,894	-22,910,196	3,673,099	48,553,897	-44,880,798
106,891,596	21,836,357	85,055,239	111,658,131	21,898,572	89,759,559
8,900,984	28,791,223	-19,890,239	2,596,370	10,256,235	-7,659,865
27,613,689	31,615,957	-4,002,268	32,232,658	33,351,808	-1,119,150
1,602,487	33,434,268	-31,831,781	7,432,510	28,632,918	-21,200,408
35,120	702,421	-667,301	40,097	668,901	-628,804
0	1,462,129	-1,462,129	0	2,804,870	-2,804,870
0	0	0	0	0	0
150,615,574	146,324,249	4,291,325	157,632,865	146,167,201	11,465,664
Sub Total					
150,615,574	146,324,249	4,291,325	157,632,865	146,167,201	11,465,664
Total					

West Rand District Municipality

Appendix E(1)

ACTUAL VERSUS BUDGET (REVENUE & EXPENDITURE) FOR THE YEAR ENDED 30 JUNE 2008

	Actual 2008 R	Budget 2008 R	Variance 2008 R	Variance 2008 %	Explanation of significant Variances
REVENUE					
Service Charges	3,405,820	2,646,200	-759,620	22.3	Additional levies on fire accounts
RSC Levies	-579,505	-900,000	-320,495	-55.3	Estimates on accounts to had over to debt collectors
Rental : Property & Equipment	1,286,621	1,286,280	-341	0.0	
Interest earned - external investment	9,612,363	7,200,000	-2,412,363	25.1	Additional cash to invest / hike in interest rate
Interest earned - outstanding debtors	5,550	15,000	9,450	-170.3	Handover of debtors at a lesser rate
Licenses & Permits	89,464	96,000	6,536	-7.3	Income did not occur
Agency services	24,528,250	25,760,000	1,231,750	-5.0	Levy income additional
Government grants & Subsidies	115,487,206	107,826,700	-7,660,506	6.6	Additional income
Other income	3,797,096	7,645,200	3,848,104	-101.3	Income did not occur
Total revenue	157,632,865	151,575,380	0	0.0	
Less Income forgone	0	0	0		
EXPENDITURE					
Employee related costs	72,784,573	78,648,410	5,863,837	-8.1	Vacancies not filled
Remuneration Councillors	4,823,244	4,859,500	36,256	-0.8	
Bad debts written-off	329,260	1,440,000	1,110,740	-337.3	Provision for bad debt on ambulance now also included
Collection costs	170,648	330,050	159,402	-93.4	Lessor account handed over to debt collectors
Depreciation	5,836,130	2,070,910	-3,765,220	64.5	Depreciation on lease assets
Repairs & Maintenance	3,840,471	5,416,260	1,575,789	-41.0	Lease of vehicles with full maintenance
Interest on external borrowings	1,832,867	3,710,000	1,877,133	-102.4	Interest accrued included
Contracted services	3,122	50,000	46,878	-1,501.5	Expenditure did not occur
Grants & Subsidies paid	13,043,781	26,355,220	13,311,439	-102.1	Projects not completed
General expenses- other	31,528,680	55,126,480	23,597,800	-74.8	Expenses did not occur
Internal transfers/Departmental charges	0	0	0	0.0	
Loss on disposal of PPP	11,974,425	0	-11,974,425	100.0	Transfer of assets/written off redunded assets
Total expenditure	146,167,201	178,006,830	-31,839,629		
NET SURPLUS/(DEFICIT)	11,465,664	-26,431,450			

West Rand District Municipality

APPENDIX E(2)

ACTUAL VERSUS BUDGET (ACQUISITION OF PROPERTY, PLANT & EQUIPMENT) FOR THE YEAR ENDED 30 June 2008

	Actual 2008 R	Budget 2008 R	Variance 2008 R	Variance 2008 %	Explanation of significant Variances
Land and Buildings					
Land and Buildings	2,835,705	8,900,165	6,064,460	68.14	Expenditure in DMA roll over
Infrastructure					
Security Measures	55,745	1,555,745	1,500,000	100.00	Upgrading of security roll over
Community Assets					
Recreation Grounds	3,703,196	9,758,500		62.05	Expenditure in DMA roll over
Other Assets					
Office Equipment	0	0	0	0	
Furniture & Fittings	253,738	351,090	97,352	27.73	Saving on expenditure
Emergency equipment	0	0	0	0	
Motor Vehicles	0	0	0	0	
Computer equipment	237,676	204,000	33,676	-16.51	Additional computers bought
Plant & Equipment	590,009	1,050,000	1,640,009	43.81	Expenditure on radio panel EOC roll over
	<u>7,676,069</u>	<u>21,819,500</u>			
	<u>7,676,069</u>	<u>21,819,500</u>			

West Rand District Municipality APPENDIX F

DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Name of Grants	Name of organ of state or municipal entity	Quarterly Receipts								Quarterly Expenditure							
		March	June	Sept	Dec	March	June	Sept	Dec	March	June	Sept	Dec	March	June	Sept	Dec
EMS Subsidy	Gauteng Health		0	0	11945000	11945000	0	0	0	0	0	0	0	0	0	0	0
RSC replacement grant	National Government		0	0	33500300	25125250	41875233	0	0	0	0	0	0	0	0	0	0
HIV/AIDS Grant	Gauteng Province		0	0	0	20830000	0	0	0	0	0	0	0	0	0	0	0
MSIP	National Government		0	0	5000000	5000000	0	0	0	0	0	0	0	0	0	0	0
					45945300	39633250	41875233					31347695	31347695			31347695	34631236

Name of Grants	Name of organ of state or municipal entity	Grants and Subsidies delayed / withheld				Reason for delay/withholding of funds	Did your municipality comply with the grant conditions in terms of grant framework in the latest Division of Revenue Act	Reason for non-compliance
		March	June	Sept	Dec			
							Yes / No	

AMBULANCE SERVICE
ANALYSIS OF OPERATING INCOME AND EXPENDITURE
FOR THE YEAR ENDED 30 JUNE 2008

Actual 2007 R		Actual 2008 R	Budget 2008 R
	INCOME		
22,263,016	Government grants & subsidies	24,528,250	23,890,000
2,338,038	Levies	1,473,065	940,000
1,128,613	Other income	864,801	930,000
<u>25,729,667</u>	Total income	<u>26,866,116</u>	<u>25,760,000</u>
	EXPENDITURE		
17,792,164	Salaries and wages	16,924,297	17,905,550
6,141,618	General expenses	6,031,019	6,839,740
-	Bad debt provision	-	740,000
40,824	Repairs and maintenance	72,032	274,680
1,743	Depreciation	58,439	30
<u>23,976,349</u>	Total expenditure	<u>23,085,787</u>	<u>25,760,000</u>
<u>1,753,318</u>	Operating (deficit)/surplus for the year	<u>3,780,329</u>	<u>0</u>

AMBULANCE SERVICE
INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

2007 Actual R		2008 Actual R	2008 Budget R
	SURPLUS/(DEFICIT) FROM ORDINARY ACTIVITIES		
1,753,318	Administration	3,780,329	-
<u>1,753,318</u>	NET (DEFICIT)/SURPLUS FOR THE YEAR	<u>3,780,329</u>	<u>-</u>
1,753,318	NET (DEFICIT)/SURPLUS BEFORE APPROPRIATIONS	3,780,329	-
(1,415,646)	UNAPPROPRIATED SURPLUS AT 1/7/2007	(1,420,578)	(3,187,669)
(1,758,250)	TRANSFER TO PROVISIONS	1,122,850	
<u>(1,420,578)</u>	UNAPPROPRIATED DEFICIT AT END OF YEAR	<u>3,482,601</u>	<u>(3,187,669)</u>

WEST RAND DISTRICT MUNICIPALITY

Memo statement 2

CONSOLIDATED METROPOLITAN TRANSPORT FUND ANALYSIS OF OPERATING INCOME AND EXPENDITURE FOR THE YEAR ENDED 30 JUNE 2008

2007 Actual R		2008 Actual R	2008 Budget R
	INCOME		
1,565,625	Government grants & subsidies	173,450	0
<u>1,565,625</u>	Total income	<u>173,450</u>	<u>0</u>
	EXPENDITURE		
295,000	Projects	909,122	0
<u>295,000</u>	Total expenditure	<u>909,122</u>	<u>0</u>
<u>1,270,625</u>	Operating Surplus for the year	<u>(735,672)</u>	<u>0</u>

CONSOLIDATED METROPOLITAN TRANSPORT FUND INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2007

2007 Actual R		2008 Actual R	2008 Budget R
	SURPLUS FROM ORDINARY ACTIVITIES		
1,270,625	Administration	(735,672)	0
<u>1,270,625</u>	NET SURPLUS FOR THE YEAR	<u>(735,672)</u>	<u>0</u>
1,270,625	NET SURPLUS BEFORE APPROPRIATIONS	(735,672)	0
820,254	UNAPPROPRIATED SURPLUS AT BEGINNING OF YEAR	2,090,879	0
<u>2,090,879</u>	UNAPPROPRIATED SURPLUS AT END OF YEAR	<u>1,355,207</u>	<u>0</u>